

CITY OF TEMPE REQUEST FOR COUNCIL ACTION

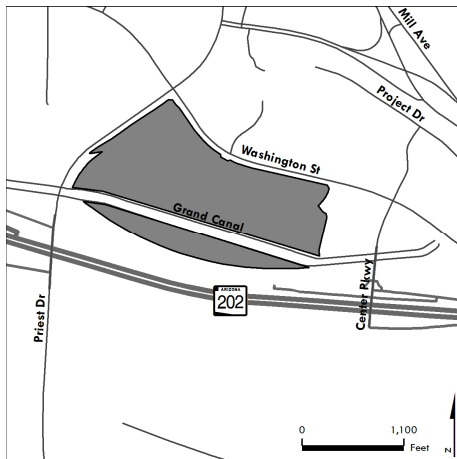
Council Meeting Date: 1/09/2014
Agenda Item: 5E4

ACTION: Adopt a resolution authorizing the Mayor to execute a Development Agreement with Papago Park Center, Inc., an Arizona corporation ("Developer"), relating to the development of property located on the southeast corner of Priest Drive and Washington Street. (Resolution No. R2014.04)

FISCAL IMPACT: The City has agreed to share up to \$1.5 million of the costs associated with certain "Public Amenities" along the relocated Grand Canal, if the Developer expends not less than \$3 million toward such improvements. The City's share, not to exceed \$1.5 million, will be paid from 70% of the unrestricted portion of future transaction privilege taxes levied and collected from taxable activities at the project. In addition, Developer agrees to contribute \$25,000 toward expenses incurred or to be incurred by City in designing pedestrian/multimodal improvements connecting the Grand at Papago Park Center to Tempe Town Lake.

RECOMMENDATION: Adopt Resolution No. R2014.04.

BACKGROUND INFORMATION: The 60-acre Papago Grand site is part of Papago Park Center currently managed by the Developer. Papago Park Center is a 300-acre business park that is home to over 3 million square-feet of commercial development. The 19th Amended Planned Area Development (PAD) for Papago Park Center was approved February 7, 2013. The PAD provides for the development of an additional 3.1 M square-feet of hotel, office, retail, and residential development on the Papago Grand site.



A major component of the adaptive reuse of the site is the relocation of portions of the Grand Canal. The plan calls for the canal to run through the development with multi-modal pathways and other singular decorative features that enhance this element of the project area. The total cost of the project will be approximately \$10 M, including the canal relocation, a water feature, and the multi-modal path system.

The Public Amenities will consist of enhanced hardscape and path improvements along the pathways that SRP will be required to license to the City for public use. These pathways will be 50- and 20- feet wide along the north and south sides of the relocated canal, respectively. They will be at the center of the existing network of canal pathways used by the public for bike and pedestrian purposes similar to those adjacent to the Crosscut and Western Canals, which consist of a single pathway along one side of the canals approximately twenty feet in width.

The City will share only the cost of the multi-modal pathways, with the City's participation capped at \$1.5 million (\$1.8 million/mile). The City's share is based on the \$1.8M/mile cost of the Western Canal pathway improvements recently constructed by the City, and will offset a portion of the Developer's expected cost of \$4.2 million (\$5.1 million/mile). The Developer will be responsible for the ongoing maintenance of the Public Amenities.

ATTACHMENTS: Resolution, Development Agreement and Exhibits

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